

THE ECONOMY OF INDO-CHINA

to the cultivation of mediocre riceland and the storing of paddy against future profits.

Prices continued to fall in 1932, and this naturally increased the panic. A group of turbulent rice-growers, egged on by the local politicians, were particularly vociferous. In January of that year they a campaign to devalue the piastre, claiming that its stabilization, which they had asked for in 1929* was now the ruination of Indo-Chinese agriculture. Propaganda pamphlets were so widely circulated the government undertook a counter-offensive. The agitation was up in the Colonial Council and later carried to France. The noisy distress of Cochinchina aroused regional feeling in the colony, where the forces of reaction were represented by the Tonkin Chamber of Commerce. This body protested against the undue influence of the South, where there even existed a group of dissenting merchants who did not find their country in so deplorable a condition as pictured by the agitators. No doubt the declining prices had added to the debts of the planters, but the proportions as yet were not catastrophic.

Such resistance to their pressure only stimulated the agitators to farther efforts. In July 1933 they telegraphed to the French Cabinet, demanding devaluation in the name of the rice-growers of the colony. Sarmit, who knew the situation, vetoed the suggestion. In the following October the agitation was renewed. The government, in a conciliatory mood, named a committee to study the problem. Their report did not find devaluation the panacea advertised by the agitators* but recommended a reduction of export taxes and a programme of public works. The agitators vented their anger at this outcome by attacking Pasquier the Bank of Indo-China, but the Metropolitan

government left
their petitions unanswered. To show their disapproval,
Saigon's shops
were closed for a day and the local press attacks took
on a fresh viru-
lence; The government's viewpoint^—that all the
agitation was but the
work of a handful of malcontents for political
purposes—confirmed
the general discredit into which the whole movement
had fallen.
The administration was also constructive. In 1931
taxes were sus-
pended on rice 'exportation, which resulted in lowering
the cost of
particularily for the native masses* To compensate for
the
budgetary loss involved* the government created in 1932
—33 a new tax:
on and mineral oil. Certain tax reductions,
notably in Cochinchina-
Gbnt, were also granted. On the positive side came
the development
of credit institutions and public works, and the policy
of developing